



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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November 23, 2021

Dillon White, Chairperson
Exeter Fairmont Township Fillmore County
1612 Road C
Fairmont, NE 68354

Dear Chairperson White:

The Nebraska Auditor of Public Accounts (APA) has reviewed the audit waiver request received from the Exeter Fairmont Township Fillmore County (Township) for the fiscal year ending 2021. **That request has been approved.**

While performing, pursuant to Neb. Rev. Stat. § 84-304 (2021 Neb. Laws, LB 528, § 51), the preliminary examination necessary to determine whether further audit work would be required or the audit waiver should be allowed, the APA noted certain internal control or compliance matters, or other operational issues, within the Township.

The following information is intended to improve internal controls or result in other operational efficiencies.

Comment and Recommendation

Payment of Claims Prior to Board Approval

During our comparison of the Township's bank account details to claims approved by the Board, the APA noted that the following checks, totaling \$531.16, were issued before the underlying claims were approved by the Board.

| Approval Date | Name/Vendor | Amount | Check # | Check Date | Days Paid Before Approval |
|---------------|---------------|------------------|---------|------------|---------------------------|
| 1/6/2021 | Ekeler Repair | \$ 196.57 | 3077 | 10/7/2020 | 91 |
| 1/6/2021 | Farmers Coop | \$ 170.38 | 3078 | 10/7/2020 | 91 |
| 1/6/2021 | Farmers Coop | \$ 164.21 | 3079 | 11/10/2020 | 57 |
| | Total | \$ 531.16 | | | |

The Township Board is required to approve claims against the Township as set out in Neb. Rev. Stat. § 23-255 (Reissue 2012), which states the following, in relevant part:

All claims and charges against the town, duly audited and allowed by the town board, shall be paid by order so drawn.

(Emphasis added.) Properly discharging the above statutory duties necessarily entails the Board's approval of all expenditures of Township funds prior to the actual disbursement.

Furthermore, good internal control requires procedures to ensure that all claims are approved by the Board prior to payment and are adequately documented in the minutes of the meeting during which they are approved.

Without such procedures, there is an increased risk for the loss or misuse of Township funds.

We recommend the Board implement procedures to ensure all claims are approved by the Board prior to payment and are adequately documented in the minutes of the meeting during which they are approved.

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The preliminary planning work that resulted in this letter was designed primarily on a test basis and, therefore, may not bring to light all existing weaknesses in the Township's policies or procedures. Nevertheless, our objective is to use the knowledge gained during the performance of that preliminary planning work to make comments and suggestions that we hope will prove useful to the Township.

This communication is intended solely for the information and use of the Township and its management. It is not intended to be, and should not be, used by anyone other than those specified parties. However, this letter is a matter of public record, and its distribution is not limited.

If you have any questions, please contact **Dakota Christensen** at **402-499-8702** or **dakota.christensen@nebraska.gov**.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mark Avery", with a long horizontal flourish extending to the right.

Mark Avery, CPA
Assistant Deputy Auditor